

June 12, 2003

Opening Statement by Congressman Paul E. Gillmor  
House Financial Services Committee  
Subcommittee on Financial Institutions and Consumer Credit Hearing entitled, "The Role of FCRA in the Credit Granting Process."

Thank you, Mr. Chairman, for holding this important hearing as part of this series of subcommittee hearings addressing the Fair Credit Reporting Act (FCRA). I would also like to thank you for your leadership on this issue. Ensuring a uniform national standard for consumer protections governing credit transactions is one of the most important tasks this committee will face in the 108<sup>th</sup> Congress.

As we are all now aware, on January 1, 2004 these standards as established in the FCRA will expire and states will again have the ability to enact differing regulations. Extending these uniform federal standards has been endorsed by both Treasury Secretary Snow and Chairman Greenspan, who made his support explicit with these remarks before our committee, "I've been in favor of national standards here for reasons which are technically required. If you have very significant differences state by state, it would be very hard to maintain as viable a system as we currently have."

Today our witnesses will focus on the use of credit reports in the mortgage lending process and other forms of consumer lending. The speed and accessibility of the American mortgage industry has only been able to develop since 1970 and the enactment of the FCRA. The process of prescreening potential customers and extending offers of credit and insurance has also come into existence as a result of the FCRA established uniform national standards. As the Federal Trade Commission (FTC) official, Howard Beales, stated before this subcommittee in our June 4 hearing, "Prescreening, in combination with other direct marketing and advertising, has led to the widespread availability of credit cards with no annual fee and other attractive benefits, and has enhanced competition."

Thank you again, Mr. Chairman, for continuing our dialogue on this issue and I look forward to swift committee action.